

## S 173

### SMART Act

**Congress:** 113 (2013–2015, Ended)

**Chamber:** Senate

**Policy Area:** Taxation

**Introduced:** Jan 29, 2013

**Current Status:** Read twice and referred to the Committee on Finance.

**Latest Action:** Read twice and referred to the Committee on Finance. (Jan 29, 2013)

**Official Text:** <https://www.congress.gov/bill/113th-congress/senate-bill/173>

### Sponsor

**Name:** Sen. Shelby, Richard C. [R-AL]

**Party:** Democratic • **State:** AL • **Chamber:** Senate

### Cosponsors

*No cosponsors are listed for this bill.*

### Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Jan 29, 2013

### Subjects & Policy Tags

#### Policy Area:

Taxation

### Related Bills

*No related bills are listed.*

## Summary (as of Jan 29, 2013)

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Simplified, Manageable, And Responsible Tax Act or the SMART Act - Amends the Internal Revenue Code to replace the marginal income tax rates with a single rate of 17% on individual taxable income.

Redefines "taxable income" to mean the amount by which wages, retirement distributions, and unemployment compensation exceed the standard deduction. Increases the basic standard deduction and includes an additional standard deduction for dependents. Includes in taxable income the taxable income of each dependent child under the age of 14.

Replaces the current tax on corporations with a tax on every person engaged in a business activity equal to 17% of the business taxable income of such person. Makes the person engaged in the business activity liable for the tax, whether or not such person is an individual, a partnership, or a corporation.

Imposes a tax of 17% on the value of excludable compensation provided during the year by an employer for the benefit of employees. Makes the employer liable for the tax.

Repeals pension plan rules relating to : (1) non-discrimination, (2) contribution limits, and (3) restrictions on distributions. Revises rules relating to transfers of excess pension assets.

Repeals: (1) the alternative minimum tax; (2) all income tax credits; (3) estate, gift, and generation-skipping transfer taxes; and (4) income tax provisions, except certain provisions relating to retirement distributions and tax-exempt organizations.

Declares it not in order in the House of Representatives or the Senate, unless waived or suspended by a three-fifths vote, to consider any legislation that increases or adds an income tax rate, reduces the standard deduction, or provides any exclusion, deduction, credit, or other benefit that reduces federal revenues.

## Actions Timeline

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- **Jan 29, 2013:** Introduced in Senate
- **Jan 29, 2013:** Read twice and referred to the Committee on Finance.